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CIA Acting Chief Says Agency Avoided Knowledge of Supply Network to Contras

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WASHINGTON—The acting director of the Central Intelligence Agency testified that the CIA avoided any knowledge of the private network supplying Nicaraguan insurgents.

Robert Gates, President Reagan's nominee to succeed former CIA director William Casey, testified before the Senate Intelligence Committee that the agency hasn't "the faintest idea" about how much money has gone to the rebels, known as Contras, from sources outside the U.S. government.

The committee, which is considering Mr. Gates's nomination to head the agency, also released previously secret testimony that Mr. Gates, then the agency's deputy director, gave in December regarding the Iran-Contra affair.

The December testimony together with Mr. Gates's remarks yesterday portray an agency that deliberately created a buffer between itself and the supply network even as the U.S. was spending millions of dollars to provide intelligence to the Contras.

'I Didn't Want to Hear'

Mr. Gates testified in December that he learned of a possible diversion of funds to the Contras from U.S. arms sales to Iran last October. His first reaction, he said, was that he "didn't want to hear any more about it. That I didn't want to hear anything about funding for the Contras."

Eight days later, when National Security Council aide Marine Lt. Col. Oliver North referred to "a Swiss account and money for the Contras," Mr. Gates said neither he nor Mr. Casey sought an immediate explanation.

"We didn't want to ask him factual questions about what he was doing with the funds," Mr. Gates testified in December. "Because we knew he was involved, or we assumed, I should say, I assumed that he was involved in efforts involving private benefactors to get money to the Contras, and this was one of those areas where we did not pursue obvious lines of questioning because we didn't want to get involved in knowing the sources of funding."

Frustration at Answers

No decision is expected to be made on Mr. Gates's nomination until after a White House commission makes its report on the Iran-Contra affair late this month.

Leading committee members appear to be leaning toward confirming Mr. Gates, who joined the CIA more than 20 years ago. But yesterday, there was open frus-

tration with his answers to crucial questions.

"The responses you are giving these members are not satisfactory," said Sen. William Cohen (R., Maine) after sharp exchanges between Mr. Gates and two leading Democrats, Sen. Bill Bradley of New Jersey and Sen. Sam Nunn, a Georgia conservative and chairman of the Senate Armed Services Committee. "You basically didn't want to rock the boat," Mr. Cohen said, offering his own explanation of Mr. Gates's behavior. "You didn't want to throw your career down the drain for a program you didn't start."

Limited Information

With a boyish face and graying hair, Mr. Gates, 43 years old, is very much the picture of the rising young executive; only a year ago he was before the same committee as Mr. Casey's choice to be deputy director. In contrast to Mr. Casey's more roughly hewn political image, Mr. Gates's profile is that of the modern, technical analyst. And in Mr. Gates's short tenure as deputy, major operational areas were left to Mr. Casey.

The former director paid "special attention" to President Reagan's policy in Central America, and was kept abreast of the Iran initiative in regular briefings, Mr. Gates said. On the other hand, Mr. Gates testified to major gaps in his own knowledge of the arms sales; even after becoming deputy director last year, he appears to have had limited information about the administration's dealings.

Looking back, Mr. Gates said he questioned the wisdom of using third parties in such a delicate operation as the Iran initiative. If he had been in command, he told the lawmakers, he "would have recommended against" the covert operation.

Investigation of Allegations

After a day of testimony, he expressed regret at not having pursued a "more intensive" investigation of allegations of a potential diversion of funds. But he apparently ceded the territory to Mr. Casey.

Under questioning by Sen. Bradley, Mr. Gates acknowledged that even after becoming deputy director last April he hadn't asked to be briefed by Col. North on the Iran project or on details of a secret mission the following month to Tehran by former National Security Council Adviser Robert McFarlane. When informed of a possible diversion of funds last Oct. 1, his response was to take the matter—on Oct. 7—to Mr. Casey.

Mr. Gates said yesterday that he was "uneasy" when Col. North referred to

Swiss accounts and the Contra funding at a luncheon with Mr. Casey two days later, on Oct. 9. But Mr. Gates was again guided by his superior.

"I was uneasy about the remark . . . and went back into the director's office after lunch to see if he had understood what Lt. Col. North had been saying and if we should be concerned by it," Mr. Gates testified yesterday. "He either hadn't heard or picked up on the remark at all, or seemed unconcerned, so I did not pursue it."

Involvement of Individuals

The evidence of a potential diversion was taken to then-NSC adviser Admiral John Poindexter, and Mr. Gates testified that Mr. Casey subsequently suggested that Col. North secure an attorney for himself. Despite the buffer Mr. Gates described, Mr. Casey, who has been stricken by cancer, was in regular contact with Col. North.

Mr. Gates indicated that senior CIA officials were worried about the private individuals assisting Col. North in the Iran and Contra operations.

In December, Mr. Gates was pressed by former Sen. Thomas Eagleton (D., Mo.) about the agency's knowledge and fears concerning the role of retired Air Force Maj. Gen. Richard Secord. "It's no mystery to anybody that Secord was heavily involved with Contras, that Secord was heavily involved in Iran. That was no secret to you, was it?" said Sen. Eagleton. "No sir," answered Mr. Gates.

In one crucial area, Mr. Gates's testimony yesterday differs from his account in December.

In December he said that Col. North alluded to a Swiss account and money for the Contras in the context of a discussion related to the financial disarray and problems facing an Iranian middleman involved in the arms sales to Tehran. Yesterday, the acting director said the reference had come only in a discussion related to the downing of a supply plane in Nicaragua, and Mr. Gates hadn't associated the remark with "the Iranian matter at all."

For Congress, the confirmation hearing poses a first test of balance-of-power issues raised by the Iran-Contra affair. Chief among these issues is the administration's failure to notify the congressional intelligence committees of the covert operation begun last year. Mr. Gates promised to improve cooperation in the future.

More nettlesome is the issue of the NSC's place in the intelligence community, and the administration's part in the private network that supplied the Contras at a time when Congress banned all U.S. arms assistance to them. At first, Mr. Gates contended that the NSC was separate from the intelligence community; later he backed away from that argument, saying he would be bound to report illegal activity by NSC staff who operate within the direct authority of the White House.